



# Financial Guidance and Claims Act 2018

## 2018 CHAPTER 10

### PART 2

#### CLAIMS MANAGEMENT SERVICES

##### *Charges for claims management services*

- 32 PPI claims: interim restriction on charges imposed by legal practitioners after transfer of regulation to FCA**
- (1) A legal practitioner—
- (a) must not charge a claimant, for a service which is a relevant claims management activity provided in connection with the claimant's PPI claim, an amount which exceeds the fee cap for the claim, and
  - (b) must not enter into an agreement that provides for the payment by a claimant, for a service which is a relevant claims management activity provided in connection with the claimant's PPI claim, of charges which would breach, or are capable of breaching, the prohibition in paragraph (a).
- (2) Subsections (2) to (5) and (7) of section 30 apply for the purposes of the prohibitions in subsection (1) as they apply for the purposes of the prohibitions in section 30(1) but as if—
- (a) references in those subsections to “regulated claims management services” were references to “relevant claims management activity” and references to “regulated persons” were references to “legal practitioners”, and
  - (b) the first entry in columns 1 and 2 of the table in subsection (5) were omitted.
- (3) Subsection (1) applies as follows—
- (a) the prohibition in subsection (1)(a) applies only to charges imposed by a legal practitioner under an agreement entered into during the period—
    - (i) beginning with the first day of the second interim period (within the meaning given by section 31(6)), and
    - (ii) ending with the end date for that practitioner, and

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*Status: Point in time view as at 31/12/2020.*

*Changes to legislation: There are currently no known outstanding effects for the Financial Guidance and Claims Act 2018, Section 32. (See end of Document for details)*

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- (b) the prohibition in subsection (1)(b) applies only to agreements entered into by a legal practitioner during that period.
- (4) For the purposes of subsection (3), the end date is—
- (a) for a legal practitioner for whom the relevant regulator is the Law Society of England and Wales, the day before the coming into force of the first rule made by the Law Society of England and Wales under section 33 that applies to, or to any description of, PPI claims, and
  - (b) for any other legal practitioner, 29 April 2020.
- (5) In this section “relevant claims management activity”—
- (a) does not include any reserved legal activities of the kind mentioned in section 12(1)(a) or (b) of the Legal Services Act 2007 (exercise of a right of audience or the conduct of litigation), but
  - (b) otherwise, means activity of a kind specified in an order under section 22(1B) of the Financial Services and Markets Act 2000 (regulated activities: claims management services), disregarding any exemption in that order for activities carried on by, through, or at the direction of, a legal practitioner.

**Status:**

Point in time view as at 31/12/2020.

**Changes to legislation:**

There are currently no known outstanding effects for the Financial Guidance and Claims Act 2018, Section 32.